GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:68
ANSWERED ON:17.02.2009
REVISION IN FDI REGULATIONS
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is considering a proposal to revise FDI regulations to bring them at par with those of developed economies;

(b) if so, the details thereof and the reasons therefor;

(c) whether Government is considering to restrict FDI in sensitive sectors like Defence, Aviation and Telecom in the wake of the 26/11 Mumbai terror attack;

(d) if so, the details thereof;

(e) whether there is any proposal to allow FDI in aviation including domestic airlines sector and print media upto 100 percent for Persons of Indian Origin; and

(f) if so, the details thereof and the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI ASHWANI KUMAR)

(a) & (b): Government has put in place a liberal and investor-friendly policy on Foreign Direct Investment (FDI) under which FDI up to 100% is permitted on the automatic route in most sectors/activities.The UNCTAD's World Investment Reports for 2007 and 2008 have rated India as the second most attractive investment destination.

(c) to (f): The policy on FDI is reviewed on a continuing basis through inter-ministerial consultations. A statement giving the extant FDI policy on sensitive sectors viz., Defence, Aviation, Print Media and Telecom is at annex.